

TO: Chairman and Members

DATE: March 10, 2011

**SUBJECT: SB 81 Local Youthful Offender
Rehabilitative Facilities' Construction
Financing Program Update**

AGENDA ITEM: H

**ACTION: X
INFORMATION:**

RESOURCE PERSON: Charlene Aboytes

Summary: This agenda item informs the Corrections Standards Authority (CSA) Board of each county's ability to meet the site assurance requirement in the Senate Bill (SB) 81 Request for Proposals (RFP) following the November 18, 2010 conditional awards and provides an update regarding future steps in this construction financing program.

Background:

At its March 2009 meeting, the Corrections Standards Authority (CSA) accepted the SB 81 Local Youthful Offender Rehabilitative Facilities Construction Financing Program Executive Steering Committee's (ESC) recommended list for proposals. By the July 2009 meeting, the Board had provided conditional awards to the six highest ranked counties (one large, three medium and two small): Alameda, Stanislaus, San Luis Obispo, Santa Cruz, Tuolumne and Shasta.

On October 19, 2010, Governor Schwarzenegger signed Assembly Bill 1628. Among its many provisions, this bill added \$200 million in lease-revenue bond financing to the Local Youthful Offender Rehabilitative Facilities Construction Financing Program. With the infusion of an additional \$200 million in lease-revenue bond financing, on November 18, 2010, the Board fully funded the three large, two medium and three small counties remaining on the rank ordered list (Santa Clara, Riverside, Los Angeles, Monterey, Merced, Humboldt, Yolo and Colusa).

As a long-standing requirement of receiving state funding for local detention facility construction, counties awarded state funds are required to provide to CSA a site assurance for their local facility site within a specified period of time from being noticed of the funding award.¹ The purpose of this site assurance requirement is to avoid potential delays in project startup while a county works to obtain an appropriate site. In the SB 81 process, the site assurance time period was defined as 90 days from notice of award, as outlined in the RFP. The site assurance requirement is met by providing specified language in a county Board of Supervisors' resolution indicating, in part, "...that the county has project site control through either fee simple ownership of the site or comparable long-term possession of the site, and right of access to the project sufficient to assure undisturbed use and possession of the site..."

Future Steps

The receipt of site assurance is the first step for the counties to complete in this construction financing process and it tells us what counties are committed to the program thus far. As most of the counties will have provided their site assurance, CSA staff will be working with staff at the

¹ An update on each county's ability to meet the site assurance requirement will be provided to the Board on the day of the meeting.

Department of General Services to convene a workshop to provide counties with valuable information on completing the real estate due diligence for their SB 81 project.

Another future step is the development of a second RFP. In preparation for that activity, CSA staff has asked the California Chief Probation Officers Association to query the field to determine the level of interest in the remaining financing authority. We anticipate that that information will come available prior to the next CSA Board meeting in May 2011. With that information, staff will be in a position to begin the process of convening an ESC to develop another RFP for additional counties to apply for any remaining funds.

Recommendation/Action Needed:

Staff recommends that the Board take the following actions:

1. determine whether each of the eight tentative and conditionally awarded counties from November 18, 2010 have met the project site assurance requirement and therefore continue in the SB 81 financing process.